THE FORGE FOR FAMILIES, INC.

Financial Statements

For the Years Ended
December 31, 2025 and 2024

THE FORGE FOR FAMILIES, INC.

Financial Statements
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TABLE OF CONTENTS

McConnell Jones

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Forge for Families, Inc.
Houston, Texas

Opinion

We have audited the financial statements of The Forge for Families, Inc. ("The Forge"), a Texas nonprofit organization, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Forge as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Forge and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Forge's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Forge's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Forge's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

McConnell Jones LLP

Houston, Texas
May 12, 2026

THE FORGE FOR FAMILIES, INC.

Statements of Financial Position
December 31, 2025 and 2024

	2025		2024	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	1,215,093	$	2,274,373
Pledges receivable		9,020		5,010
Prepaid expenses		1,237		1,767
Certificates of deposit		1,784,199		877,000
Total current assets		3,009,549		3,158,150
NONCURRENT ASSETS				
Property and equipment, net		3,908,750		4,067,878
Right-to-use assets, net		232		3,524
Certificates of deposit		400,000		-
Total noncurrent assets		4,308,982		4,071,402
TOTAL ASSETS	$	7,318,531	$	7,229,552
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$	33,456	$	21,425
Credit cards payable		30,327		2,562
Accrued expenses		23,748		19,755
Lease liability- operating		232		3,524
Total current liabilities		87,763		47,266
TOTAL LIABILITIES	$	87,763	$	47,266
NET ASSETS				
Without donor restrictions		7,123,042		7,123,220
With donor restrictions		107,726		59,066
Total net assets		7,230,768		7,182,286
TOTAL LIABILITIES AND NET ASSETS	$	7,318,531	$	7,229,552

The accompanying notes are an integral part of these financial statements.

THE FORGE FOR FAMILIES, INC.

Statement of Activities

For the Year Ended December 31, 2025

	2025		
	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES AND OTHER SUPPORT			
Contributions	$ 678,721	$ 113,495	$ 792,216
Luncheon/events (net of direct benefit to donors of $92,169)	414,031	-	414,031
Golf tournament (net of direct benefit to donors of $72,388)	167,435	-	167,435
Year-end letter	318,327	-	318,327
Rental	34,575	-	34,575
Summer program	92,282	-	92,282
After-school	56,477	-	56,477
Basketball	16,308	-	16,308
Volleyball	3,271	-	3,271
Other	156,676	-	156,676
Net assets released from restrictions	64,835	(64,835)	-
TOTAL REVENUES AND OTHER SUPPORT	2,002,938	48,660	2,051,598
EXPENSES			
Program services:			
After-school	427,968	-	427,968
Athletic discipleship	315,475	-	315,475
JumpStart	107,339	-	107,339
Mountain top	20,656	-	20,656
Overnight camps	44,479	-	44,479
Summer club	263,933	-	263,933
The SET	116,186	-	116,186
Adult discipleship	70,890	-	70,890
Boxes of love	47,222	-	47,222
Holly Jolly Christmas store	61,460	-	61,460
Youth discipleship	34,463	-	34,463
Internship	72,028	-	72,028
Total program services	1,582,099	-	1,582,099
Supporting services:			
Management and general	198,775	-	198,775
Fundraising activities	222,242	-	222,242
Total support services	421,017	-	421,017
TOTAL EXPENDITURES	2,003,116	-	2,003,116
CHANGE IN NET ASSETS	(178)	48,660	48,482
NET ASSETS, BEGINNING OF YEAR	7,123,220	59,066	7,182,286
NET ASSETS, END OF YEAR	$ 7,123,042	$ 107,726	$ 7,230,768

The accompanying notes are an integral part of these financial statements.

THE FORGE FOR FAMILIES, INC.

Statement of Activities
For the Year Ended December 31, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES AND OTHER SUPPORT			
Contributions	$ 622,477	$ 290,958	$ 913,435
Luncheon/events (net of direct benefit to donors of $95,506)	289,377	-	289,377
Golf tournament (net of direct benefit to donors of $27,710)	189,604	-	189,604
Year-end letter	351,820	-	351,820
Rental	32,440	-	32,440
Summer program	93,841	-	93,841
After-school	65,066	-	65,066
Basketball	20,693	-	20,693
Volleyball	779	-	779
Other	217,757	-	217,757
Net assets released from restrictions	373,395	(373,395)	-
TOTAL REVENUES AND OTHER SUPPORT	2,257,249	(82,437)	2,174,812
EXPENSES			
Program services:			
After-school	433,290	-	433,290
Athletic discipleship	325,232	-	325,232
JumpStart	61,252	-	61,252
Mountain top	18,678	-	18,678
Overnight camps	38,097	-	38,097
Summer club	253,010	-	253,010
The SET	110,532	-	110,532
Adult discipleship	61,500	-	61,500
Boxes of love	40,643	-	40,643
Holly jolly christmas store	52,372	-	52,372
Youth discipleship	32,823	-	32,823
Internship	59,871	-	59,871
Total program services	1,487,300	-	1,487,300
Supporting services:			
Management and general	366,811	-	366,811
Fundraising activities	65,747	-	65,747
Total support services	432,558	-	432,558
TOTAL EXPENDITURES	1,919,858	-	1,919,858
CHANGE IN NET ASSETS	337,391	(82,437)	254,954
NET ASSETS, BEGINNING OF YEAR	6,785,829	141,503	6,927,332
NET ASSETS, END OF YEAR	$ 7,123,220	$ 59,066	$ 7,182,286

The accompanying notes are an integral part of these financial statements.

THE FORGE FOR FAMILIES, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services													Support Services			
	After School	Athletic Discipleship	JumpStart	Mountain Top	Overnight Camps	Summer Club	The SET	Adult Discipleship	Boxes of Love	Holly Jolly Christmas Store	Youth Discipleship	Internship	Total Program Expenses	Management and General	Fundraising	Total Support Services	Total Expenses
Payroll expenses	$ 235,917	$ 119,165	$ 61,067	$ 17,719	$ 27,776	$ 136,882	$ 85,301	$ 42,044	$ 26,001	$ 40,068	$ 25,797	$ 69,120	$ 886,857	$ 116,851	176,739	$ 293,590	$ 1,180,447
Bank charges	2,201	395	-	-	-	1,461	-	-	-	-	-	-	4,057	15,687	-	15,687	19,744
Depreciation	55,742	43,355	3,097	-	-	24,774	15,484	7,742	1,548	1,549	1,548	-	154,839	4,790	-	4,790	159,629
Other fundraising expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	1,632	11,309	12,941	12,941
Insurance	37,329	27,552	889	889	889	8,888	889	7,999	888	889	888	888	88,877	8,563	-	8,563	97,440
Network	2,797	1,614	-	-	-	807	54	108	-	-	-	-	5,380	405	-	405	5,785
Supplies	1,906	953	-	-	-	1,430	-	477	-	-	-	-	4,766	5,958	19,491	25,449	30,215
Permits	5,829	-	-	-	-	-	-	-	-	-	-	-	5,829	-	-	-	5,829
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	28,974	-	28,974	28,974
Mailing and invitations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,967	6,967	6,967
Program services	17,650	59,103	39,635	1,087	14,258	48,785	4,515	6,277	16,213	16,421	2,877	-	226,821	-	-	-	226,821
Repairs and maintenance	50,732	61,621	1,941	252	118	39,463	9,233	5,454	1,941	1,823	-	-	172,578	-	-	-	172,578
Training	711	710	710	709	710	710	710	789	631	710	1,412	79	8,591	2,611	-	2,611	11,202
Transportation and travel	5,307	1,007	-	-	728	733	-	-	-	-	-	-	7,775	463	-	463	8,238
Programs and video	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,736	7,736	7,736
Vehicles	11,847	-	-	-	-	-	-	-	-	-	1,941	1,941	15,729	12,841	-	12,841	28,570
Total Expenses	$ 427,968	$ 315,475	$ 107,339	$ 20,656	$ 44,479	$ 263,933	$ 116,186	$ 70,890	$ 47,222	$ 61,460	$ 34,463	$ 72,028	$ 1,582,099	$ 198,775	$ 222,242	$ 421,017	$ 2,003,116

The accompanying notes are an integral part of these financial statements.

THE FORGE FOR FAMILIES, INC.

Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services													Support Services			
	After School	Athletic Discipleship	JumpStart	Mountain Top	Overnight Camps	Summer Club	The SET	Adult Discipleship	Boxes of Love	Holly Jolly Christmas Store	Youth Discipleship	Intership	Total Program Expenses	Management and General	Fundraising	Total Support Services	Total Expenses
Payroll expenses	$ 202,466	$ 105,109	$ 51,945	$ 15,890	$ 23,006	$ 114,975	$ 75,655	$ 36,682	$ 21,995	$ 34,093	$ 22,784	$ 56,089	$ 760,689	$ 283,404	$ -	$ 283,404	$ 1,044,093
Bank charges	1,948	362	-	-	-	1,338	-	-	-	-	-	-	3,648	14,259	-	14,259	17,907
Depreciation	56,356	43,832	3,131	-	-	25,047	15,654	7,827	1,565	1,565	1,565	-	156,542	4,841	-	4,841	161,383
Other fundraising expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,822	12,822	12,822
Insurance	28,406	22,837	737	737	737	7,368	737	6,631	737	737	737	737	71,138	6,257	-	6,257	77,395
Network	5,640	1,692	-	-	-	846	-	-	-	-	-	-	8,178	425	-	425	8,603
Supplies	1,648	824	-	-	-	1,236	-	412	-	-	-	-	4,120	5,631	42,764	48,395	52,515
Permits	6,753	-	-	-	-	-	-	-	-	-	-	-	6,753	-	-	-	6,753
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-	-	27,000	-	27,000	27,000
Mailing and invitations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,822	6,822	6,822
Program services	30,203	54,719	2,019	981	13,759	39,321	3,766	1,306	12,973	12,730	4,317	-	176,094	-	-	-	176,094
Repairs and maintenance	81,299	94,629	2,998	648	173	61,724	14,298	8,173	2,998	2,825	-	-	269,765	-	-	-	269,765
Training	418	422	422	422	422	422	422	469	375	422	422	47	4,685	1,746	-	1,746	6,431
Transportation and travel	904	806	-	-	-	733	-	-	-	-	-	-	2,443	815	-	815	3,258
Programs and video	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,339	3,339	3,339
Vehicles	17,249	-	-	-	-	-	-	-	-	-	2,998	2,998	23,245	22,433	-	22,433	45,678
	$ 433,290	$ 325,232	$ 61,252	$ 18,678	$ 38,097	$ 253,010	$ 110,532	$ 61,500	$ 40,643	$ 52,372	$ 32,823	$ 59,871	$ 1,487,300	$ 366,811	$ 65,747	$ 432,558	$ 1,919,858

THE FORGE FOR FAMILIES, INC.

Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 48,482	$ 254,954
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	159,629	161,383
Increase in pledges receivable	(4,010)	(5,010)
Decrease in prepaid expenses	530	883
Increase in accounts payable	12,030	11,732
Increase/(decrease) in credit cards payable	27,765	(12,907)
Increase in accrued expenses	3,993	3,713
Total adjustments	199,937	159,794
Net cash provided by operating activities	248,419	414,748
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of land and land improvements	(500)	(287,745)
Purchase of certificates of deposit	(1,307,199)	(290,000)
Net cash used in investing activities	(1,307,699)	(577,745)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,059,280)	(162,997)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,274,373	2,437,370
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,215,093	$ 2,274,373

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION

The Forge for Families, Inc. (the "Forge") is a Texas nonprofit corporation formed through the merger of The Refuge Community Development Corporation and Inner City Youth on December 31, 2005.

The primary purpose of the Forge is to enrich the spiritual, vocational, and leadership development of inner-city families through Christ-centered mentoring, bringing transforming growth to Houston's Third Ward.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements have been prepared in accordance with not-for-profit (NFP) organizations accounting guidance and using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, these financial statements are prepared on the accrual basis of accounting and present the financial position, results of activities and cash flows for the Forge.

Financial Statement Presentation – The Forge presents the financial statements under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities.* In accordance with ASU 2016-14, the Forge is required to report information regarding its financial position and activities according to the following net asset classifications.

- <u>Net Assets Without Donor Restrictions</u> – Net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Forge. These net assets may be used at the discretion of the Forge's management and oversight committees.
- <u>Net Assets With Donor Restrictions</u> – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents – The Forge considers cash on hand, cash in banks and money market accounts with an initial maturity of three months or less to be cash and cash equivalents.

Concentration of Credit Risk – Financial instruments that potentially subject the Forge to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Forge maintains its cash in financial institutions, which at times exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). Bank balances are insured by the FDIC up to $250,000. The amount exceeding the FDIC insured limit as of December 31, 2025 and December 31, 2024 was $0 and $41,611 , respectively. Management periodically assesses the financial condition of the financial institutions and believes that any possible credit risk is minimal.

From time-to-time, the Forge receives large pledges and contributions from a small number of donors who may represent a significant portion of recorded pledges and contributions. During 2025 and 2024, three different donors accounted for 16% and 14%, respectively, of total contributions.

Pledges Receivable – Pledges receivable consist of unconditional promises to give that are expected to be collected in future years. Such receivables are recorded at the present value of their estimated future cash flows. The Forge provides an allowance for uncollectible amounts based on a review of specific account balances and considering historical experience, and accounts receivable are written off when they become uncollectible.

Property and Equipment – All vehicles, buildings, building improvements, equipment, and furnishings are presented at cost, if purchased, or fair market value at the date of donation, if donated, less accumulated depreciation. The building and improvements are being depreciated on the straight-line basis over five to forty years. Depreciation of furniture and equipment is computed on the straight-line basis over the estimated useful lives of the assets, generally three to seven years.

Expenditures for improvements greater than $50,000 are capitalized, and repairs and maintenance are charged to expense as incurred.

Certificates of Deposit – Certificates of deposit are recorded at cost. See additional discussion at Note 6.

Impairment of Long-Lived Assets – Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of the asset exceeds its estimated undiscounted net cash flow, excluding interest, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds its fair value. The Forge incurred no impairment losses for 2025 and 2024.

Right of Use Leased Assets and Liabilities – Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Forge’s right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

Contributions and Revenue Recognition – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

All contributions are recognized as revenue when received or unconditionally promised to the Forge. Conditional promises to give are not recognized as revenue until the conditions are substantially met. There were no conditional promises at December 31, 2025 and 2024. Additionally, the Forge may receive donated professional services and donated time to help with the clerical and office work which do not meet the criteria for recognition in the Forge's financial statements. Accordingly, the value of these contributions has not been recorded in the accompanying financial statements.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Forge recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Forge recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Program revenue includes, but is not limited to, revenue from after-school, athletic discipleship and summer programs. For after-school program, tuition is paid monthly at which time the revenue is recognized. For athletic discipleship and summer programs, fees are recognized as revenue at the time of receipt.

Functional Expense Allocation – The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include program fees, general and administrative expenses, and facility fees. Program fees are allocated directly to the program they apply to. General and administrative expenses and facility fees are allocated based on salaries, time and effort, and occupied building space.

Use of Estimates – The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those assumptions. Significant estimates include, but are not limited to, collectability of pledges receivable and the useful lives of property and equipment.

Reclassification – Certain amounts in the prior period financial statements have been classified to conform to the presentation of the current period financial statements. This reclassification has no effect on the previously reported change in net assets.

Income Taxes – The Forge is recognized by the Internal Revenue Service (IRS) to be tax-exempt under IRS Code Section 501(c)(3) and similar state provisions. Therefore, no provision has been made for federal and state income taxes in these financial statements.

Uncertain tax positions are recognized in the financial statements only if the position is more-likely-than-not of being sustained upon examination by taxing authorities, based on the technical merits of the position. The Forge did not recognize any interest and penalties related to uncertain tax positions in 2025 and 2024.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The Forge regularly monitors liquidity required to meet its operating needs. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Forge considers all expenditures related to its ongoing activities, including youth and adult programs, as well as services undertaken to support those activities, to be general expenditures.

The Forge considers contributions and promises to give that are restricted by donors to certain programs or specific needs, available only to fund those needs, as restricted. Unrestricted donations are considered available to meet cash needs for general expenditures or the ongoing and major programs that are central to its annual operations. The Forge manages its liquidity and reserves following two guiding principles: operating within a balanced budget with a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

The Forge's guiding principle regarding liquidity is generally to maintain financial assets to cover three months of operating expenditures. To this end, management has set aside a balance of unrestricted funds, designated as an "Emergency Fund" that can only be accessed with Board approval. The Forge forecasts its future cash flows, audits its liquidity, and monitors its reserves every month. During 2025 and 2024, the level of liquidity and reserves were managed within these guidelines.

The following table shows the total financial assets held by the Forge at December 31, 2025 and 2024, and the amounts of those financial assets that could readily be made available within one year of the statement of financial position dates to meet general expenditures:

	2025	2024
Cash and cash equivalents	$ 1,215,093	$ 2,274,373
Pledge receivable, net	9,020	5,010
Certificates of deposit	1,784,199	877,000
Less: Net assets with donor restrictions to be met in less than one year	(107,726)	(59,066)
Financial assets available to meet general expenditures over the next 12 months	$ 2,900,586	$ 3,097,317

NOTE 4 – PLEDGES RECEIVABLE

The Forge has obtained pledges to be used for general operations. Pledges receivable amounted to $9,020 and $5,010 as of December 31, 2025 and 2024, respectively, and are expected to be collected within one year. At December 31, 2025 and 2024, there were no allowance for doubtful pledges and no bad debt expenses.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Community Center	$ 5,385,463	$ 5,385,463
Building improvements	48,255	48,255
Vehicles	103,444	103,444
Machinery and equipment	124,354	124,354
Software	23,400	23,400
Office equipment	7,771	7,771
	5,692,687	5,692,687
Less: Accumulated depreciation	(2,281,393)	(2,121,765)
	3,411,294	3,570,922
Land	497,456	496,956
Property and equipment, net	$ 3,908,750	$ 4,067,878

Depreciation expense was $159,629 and $161,383 in 2025 and 2024, respectively.

NOTE 6 – CERTIFICATES OF DEPOSIT

Certificates of deposit (CDs) consisted of the following:

	2025		
	Maturity Date	**Interest Rate**	**Amount**
Certificate of Deposit #1	7/7/2026	3.60%	$ 200,000
Certificate of Deposit #2	2/9/2026	4.20%	200,000
Certificate of Deposit #3	10/7/2026	3.50%	200,000
Certificate of Deposit #4	1/13/2027	3.45%	200,000
Certificate of Deposit #5	10/9/2026	3.50%	200,000
Certificate of Deposit #6	7/6/2026	3.60%	200,000
Certificate of Deposit #7	12/7/2026	3.50%	200,000
Certificate of Deposit #8	3/26/2026	3.46%	99,199
Certificate of Deposit #9	2/18/2027	3.95%	200,000
Certificate of Deposit #10	5/22/2026	4.05%	240,000
Certificate of Deposit #11	5/14/2026	3.80%	245,000
	Total Certificates of Deposit		$ 2,184,199

	2024		
	Maturity Date	**Interest Rate**	**Amount**
Certificate of Deposit #1	7/11/2025	5.35%	$ 200,000
Certificate of Deposit #2	7/28/2025	5.35%	200,000
Certificate of Deposit #3	5/9/2025	5.15%	237,000
Certificate of Deposit #4	11/7/2025	4.15%	240,000
	Total Certificates of Deposit		$ 877,000

Certificates of deposit with original maturities of greater than one year are classified as noncurrent; those maturing within one year are classified as current. The following table summarizes the classification of certificates of deposit as current and noncurrent:

December 31, 2025	**Current**	**Noncurrent**	**Total**
Unrestricted:			
Certificates of deposit	$ 1,784,199	$ 400,000	$ 2,184,199
	$ 1,784,199	$ 400,000	$ 2,184,199
December 31, 2024			
Unrestricted:			
Certificates of deposit	$ 877,000	$ -	$ 877,000
	$ 877,000	**$ -**	**$ 877,000**

These CDs are intended to be held until their maturity.

NOTE 7 – LEASES

The Forge entered into a non-cancellable lease agreement for the rent of office equipment as follows:

Date of Lease	Maturity Date	Duration	Monthly Payment
12/8/2020	3/8/2026	63	$248

The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

Reconciliation of the undiscounted cash flows related to operating lease to the discounted amount reported in the statement of financial position as of December 31, 2025:

Year ending December 31,	Amount
2026	601
Total	601
Less present value discount	(369)
PV of lease liability	$ 232

The Forge's lease expense for the years ended December 31, 2025, and December 31, 2024, were $3,264 and $3,582, respectively.

NOTE 8 – NET ASSETS

Net assets with donor restrictions as of December 31, 2025 and December 31, 2024 were $107,726 and $59,066 respectively, as shown below:

	2025	2024
Net assets with donor restrictions		
Capital repairs and purchases	$ 97,219	$ 44,255
Community service	10,507	14,811
Total net assets with donor restrictions	107,726	59,066

Net Assets Released from Restrictions	2025	2024
Satisfaction of purpose restrictions		
Captial Campaign	$ -	$ 345,540
Community service	33,064	27,855
JumpStart	26,771	-
Scholarships	5,000	-
Total	$ 64,835	$ 373,395

NOTE 9 – EMPLOYEE BENEFITS

The Forge has a defined contribution plan (the "40l(k) Plan") available to all employees with at least three months of service who meet the age requirement of 21 years. The 401(k) Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974. Under this plan, up to 4% of an employee's contribution each year is matched by the Forge. The Forge's contributions to the 40l(k) Plan totaled $26,101 and $23,552 in 2025 and 2024, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

During 2025 and 2024, the Forge received unrestricted cash donations from members of the Board of Directors amounting to $198,574 and $303,754 respectively. These amounts are included in contributions on the statement of activities.

Also, during 2025, the Forge engaged a related party for services at a fundraising event. Payments were made through a third-party agent, totaling approximately $40,000.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 12, 2026 (the date which the financial statements were available to be issued) and no events have occurred from the statement of financial position date through that date, that would impact the financial statements.